

MARY ANN SMITH  
Deputy Commissioner  
MIRANDA LEKANDER  
Assistant Chief Counsel  
PAUL YEE (State Bar No. 142381)  
Senior Counsel  
Department of Business Oversight  
One Sansome Street, Suite 600  
San Francisco, California 94104-4448  
Telephone: (415) 972-8544  
Facsimile: (415) 972-8500

Attorneys for the Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of:	)	NMLS NO.: 251456
	)	
THE COMMISSIONER OF BUSINESS	)	ACCUSATION IN SUPPORT OF NOTICE OF
OVERSIGHT,	)	INTENT TO ISSUE ORDER REVOKING
	)	MORTGAGE LOAN ORIGINATOR LICENSE
Complainant,	)	
	)	
v.	)	
	)	
CHRISTOPHER PARDEE AUSTIN,	)	
	)	
Respondent.	)	

The Commissioner of Business Oversight (Commissioner) charges Respondent Christopher Pardee Austin (Austin) as follows:

**I. INTRODUCTION**

1. Austin's mortgage loan originator license (MLO) was first issued by the Commissioner on July 20, 2010.
2. On May 22, 2017, Austin filed an application for renewal of his MLO license with the Commissioner pursuant to Financial Code section 50140. The application was for approval of employment with, or working on behalf of HomeStreet Bank located at 3238 S. Higuera Street, San Luis Obispo, California. The application was submitted to the Commissioner by filing

1 Form MU4 through the Nationwide Mortgage Licensing System & Registry (NMLS). On May 24,  
2 2017, the application was approved but placed on inactive status.

3 3. In the May 22, 2017 application, Austin answered “no” to questions (K) (3) and (6) on  
4 Form MU4, which specifically asked:

5 (K) Has any State or federal regulatory agency or foreign  
6 financial regulatory authority or self-regulatory organization  
(SRO) ever:

7 (3) found you to have been a cause of a financial-service  
8 related business having its authorization to do business  
denied, suspended, revoked or restricted?

9 (6) denied or suspended your registration or license or  
10 application for licensure, disciplined you, or otherwise  
11 by order, prevented you from associating with a  
financial service-related business or restricted your  
activities?

12 5. In submitting his application, Austin attested that the answers were true and complete to  
13 the best of his knowledge.

14 6. In reviewing Austin’s application, the Commissioner learned that the BRE, had in the  
15 past, taken adverse actions against Austin’s real estate sales license and denied his application  
16 for an individual MLO license endorsement. The BRE denied Austin a real estate sales license  
17 on January 12, 2000 and January 26, 2009 based partly on Austin’s criminal convictions  
18 including a 1996 conviction for burglary, and various convictions for driving under the  
19 influence. Austin’s 2015 application with the BRE for an individual MLO license endorsement  
20 was denied in part due to misrepresentations on his application that he denied having a history of  
21 real estate sales license denials and discipline.

22 7. On May 24, 2017, after a review of Austin’s renewal application and in light of his BRE  
23 licensing history, the Commissioner instructed Austin to amend the MU4 application and  
24 provide a detailed explanation with supporting documentation regarding the adverse BRE  
25 actions.

26 8. Thereafter, on August 21, 2017, Austin amended his response to questions (K)(3) and  
27 (K)(6) from “no” to “yes.” Austin provided an explanation with documentation to this change in  
28 the “Event Explanation Detail” section, item 4 of 4 on Form MU4. Austin stated that he initially

1 answered “no” to questions (K)(3) and (K)(6) because he believed that those questions where  
2 with regards to financial-service related businesses and he did not believe that his prior real  
3 estate salesperson license denials and MLO endorsement denial were considered “financial-  
4 services.”

5 9. In submitting the August 21, 2017 amended application, Austin was attesting to and  
6 swearing that the answers were true and complete to the best of his knowledge.

## 7 **II. GROUNDS EXIST FOR REVOKING AUSTIN’S LICENSE**

8 10. Financial Code section 50327 provides that the Commissioner may revoke a MLO license if  
9 the Commissioner finds that any fact or condition exists that, if it had existed at the time of the  
10 original application for the license, reasonably would have warranted the Commissioner in refusing  
11 to issue the license originally. Similarly, Financial Code section 50513 authorizes the  
12 Commissioner to revoke a mortgage loan originator license if the licensee fails to meet the  
13 requirements of Financial Code section 50141.

14 11. Financial Code section 50141 requires the Commissioner to deny an application for a  
15 mortgage loan originator license if the Commissioner cannot find that the applicant “has  
16 demonstrated such financial responsibility, character, and general fitness as to command the  
17 confidence of the community and to warrant a determination that the mortgage loan originator will  
18 operate honestly, fairly, and efficiently within the purposes of the division.”

19 12. After Austin’s mortgage loan originator application was approved but put on inactive  
20 status, the Commission discovered that the BRE, had in the past, taken adverse action against  
21 Austin’s real estate sales license and denied his application for an individual MLO license  
22 endorsement. BRE’s denial of the individual MLO license on April 26, 2017 was upheld by the  
23 decision of the Administrative Law Judge filed on April 26, 2017.

24 13. The adverse action against Austin’s real estate sales license, the denial of his application  
25 for an individual MLO license endorsement by the BRE, and the April 26, 2017 decision of the  
26 Administrative Law Judge is the type of action that Austin was required to disclose in response  
27 to the mortgage loan originator application, questions K(3) and K(6). Austin initially falsely  
28 answered those two questions and did not disclose his BRE actions.

14. The Commissioner finds that the foregoing circumstances, including the fact that Austin falsely answered questions K(3) and K(6) to the MLO license application, if known at the time of the filing of his MLO license application on May 21, 2017, would have warranted denial of the license application under Financial Code section 50141. Accordingly, grounds exist under Financial Code sections 50327 and 50513 to revoke the MLO license of Austin.

### III. CONCLUSION

15. The Commissioner finds, by reason of the foregoing, that Austin, having falsely answered question K(3) and K(6) to the mortgage loan originator application, and denying that he had financial services related actions against him, has failed to demonstrate such financial responsibility, character, or general fitness as to command the confidence of the community and to warrant a determination that he will operate honestly, fairly, and efficiently within the purposes of the California Residential Mortgage Lending Act (Fin. Code, § 50000 et seq.).

THEREFORE, Financial Code sections 50327 and 50513 authorize the Commissioner to revoke the mortgage loan originator license of Christopher Pardee Austin.

WHEREFORE IT IS PRAYED that the mortgage loan originator license of Christopher Pardee Austin be revoked.

Dated: May 16, 2018  
San Francisco, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
PAUL YEE  
Senior Counsel  
Enforcement Division